

## General Property Taxes

The County levies real estate taxes on all real estate within its boundaries, except that exempted by statute, each year as of January 1, on the estimated market value of the property with semiannual payments due June 5 and December 5. All real estate property is assessed biennially.

The County levies personal property taxes on motor vehicles and tangible personal business property. These levies are made each year as of January 1, with semiannual payments due June 5 and December 5.

	<b>Revenue Summary</b>			
	<b>FY2004</b>	<b>FY2005</b>		<b>Percentage</b>
	<b>Original</b>	<b>Adopted</b>	<b>Dollar Change</b>	<b>Change</b>
Real Estate	39,197,500	42,070,338	2,872,838	7.33%
Public Service	3,700,000	3,700,000	-	0.00%
Personal Property	15,903,500	18,474,090	2,570,590	16.16%
Mobile Homes	44,600	41,700	(2,900)	-6.50%
Machinery & Tools	1,250,000	1,550,000	300,000	24.00%
Boats	42,000	37,500	(4,500)	-10.71%
Penalties	350,000	350,000	-	0.00%
Interest	100,000	100,000	-	0.00%
Total	<u>60,587,600</u>	<u>66,323,628</u>	<u>5,736,028</u>	9.47%

### FY2005 Budget Comments

The increase in real estate tax revenue is due to the biennial reassessment and new construction. Personal property tax revenues are expected to increase because of growth in the County.

## **Other Local Taxes**

### **Local Sales Taxes**

The County levies a one percent (1%) local option sales and use tax on retail transactions. Businesses remit this tax to the State Tax Commissioner along with the three and one-half percent (3-1/2%) State sales tax. The State disburses the tax to the localities on a monthly basis.

### **Lodging and Meals Tax**

The transient occupancy tax of five percent (5%) is paid for any room rented on a short-term basis. These revenues are generated primarily by hotels and motels within the County. Sixty eight percent (68%) of the revenues collected are earmarked for tourism activities. This tax is collected monthly.

A four percent (4%) tax is levied on prepared food and beverages sold for human consumption in the County. This tax is collected monthly.

### **Business Licenses**

The County requires all persons conducting any business, profession, trade, or occupation to have a license. The Commissioner of the Revenue computes the amount of license tax and after payment to the Treasurer, the license is issued.

### **Utility Consumption Taxes**

In lieu of the local business license tax levied on corporations furnishing heat, light or power by means of electricity and/or natural gas, Section 58.1-2900 and Section 58.1-2904 of the Code of Virginia imposes a tax on consumers of electricity and natural gas in the Commonwealth based on kilowatt hours or volume of gas delivered. This tax is collected monthly.

### **Other Local Taxes**

Other local taxes include an annual vehicle registration fee on every motor vehicle, trailer, and semi-trailer garaged, stored or parked in the County. Fees range from \$15.00 for motorcycles to \$23.00 for passenger cars. Other local taxes also include a bank franchise tax imposed on banks located within the County based on their net capital, a franchise tax on cable television services, a recordation tax on each taxable instrument recorded in the County and a surcharge of \$2.18 per month for enhanced E-911 service for each line provided by a telephone company.

## Other Local Taxes (continued)

	<b>FY2004 Original</b>	<b>FY2005 Adopted</b>	<b>Dollar Change</b>	<b>Percentage Change</b>
Local Sales Tax	5,346,000	7,651,694	2,305,694	43.13%
Lodging Tax	1,989,000	1,820,000	(169,000)	-8.50%
Meals Tax	3,120,000	3,700,000	580,000	18.59%
Business Licenses	3,580,600	3,607,000	26,400	0.74%
Utility Consumption Tax	201,000	225,000	24,000	100.00%
Motor Vehicle Licenses	1,150,100	1,200,100	50,000	4.35%
Cable Franchise Tax	455,000	475,000	20,000	4.40%
Bank Franchise Tax	143,600	102,100	(41,500)	-28.90%
Recordation Tax	850,000	939,277	89,277	10.50%
E-911 Surcharge	800,000	800,000	-	0.00%
Miscellaneous	<u>113,400</u>	<u>123,000</u>	<u>9,600</u>	8.47%
Total	<u>17,748,700</u>	<u>20,643,171</u>	<u>2,894,471</u>	16.31%

### FY2005 Budget Comments

The revenue projections in this section are expected to show an increase during FY2005. With the opening of two Wal-Mart super stores, increases in Local Sales Tax and Business Licenses are expected. Effective January 1, 2001, the Utility Consumption Tax on consumers of electricity and natural gas replaced local business license taxes levied on corporations furnishing heat, light or power by means of electricity or natural gas.

## Permits, Privilege Fees and Regulatory Licenses

The County requires permits, inspections, and fees on construction and alterations of all buildings in the County. Permits include building, electrical, plumbing and mechanical. Other licenses and fees include dog licenses and fees for zoning, plan review, land transfers, plat and land use.

	<b>Revenue Summary</b>			
	<b>FY2004 Original</b>	<b>FY2005 Adopted</b>	<b>Dollar Change</b>	<b>Percentage Change</b>
Inspection Fees	559,600	572,710	13,110	2.34%
Permits, Fees & Licenses	<u>93,250</u>	<u>82,500</u>	<u>(10,750)</u>	-11.53%
Total	<u>652,850</u>	<u>655,210</u>	<u>2,360</u>	0.36%

### FY2005 Budget Comments

Construction activity in the County is expected to show a moderate increase.

## Fines and Forfeitures

The County imposes fines on individuals charged with violations of County ordinances. These include court and parking fines and court assessments.

	<b>Revenue Summary</b>			
	<b>FY2004 Original</b>	<b>FY2005 Adopted</b>	<b>Dollar Change</b>	<b>Percentage Change</b>
Fines & Forfeitures	150,300	180,000	29,700	19.76%

### FY2005 Budget Comments

The increase in Fines and Forfeitures is due to changes to local ordinances that will increase collections in the Courts.

## Revenue From Use of Money and Property

### Revenue from Use of Money

The County Treasurer uses an aggressive cash management program investing temporarily idle funds in repurchase agreements and other instruments secured or collateralized by government securities.

### Revenue from Use of Property

The County receives revenue from the rental of its facilities, such as for the Human Services building, as well as the sale of surplus property.

	<b>Revenue Summary</b>			
	<b>FY2004 Original</b>	<b>FY2005 Adopted</b>	<b>Dollar Change</b>	<b>Percentage Change</b>
Use of Money	500,000	500,000	-	0.00%
Use of Property	334,750	309,000	(25,750)	-7.69%
Total	<u>834,750</u>	<u>809,000</u>	<u>(25,750)</u>	-3.08%

### FY2005 Budget Comments

Use of Money, Interest Earnings, shows no change for FY2005 due to the low rate of return generated on investments. The decrease in Use of Property is attributable to the County's receipt of funds on the rental of towers and other property.

## Charges for Services

The County collects revenues for services exclusive of enterprise fund activities. These sources include fees charged by the Commonwealth's Attorney, Sheriff, Clerk of Court, Parks & Recreation activities and Library services.

	<b>Revenue Summary</b>			
	<b>FY2004</b>	<b>FY2005</b>	<b>Dollar</b>	<b>Percentage</b>
	<b>Original</b>	<b>Adopted</b>	<b>Change</b>	<b>Change</b>
Clerk of Court Excess Fees	175,000	375,000	200,000	114.29%
Commwealth's Attny Fees	5,000	5,000	-	0.00%
Law Enforcement Fees	63,000	88,000	25,000	39.68%
Parks & Recreation Fees	358,500	416,715	58,215	16.24%
Library Fines & Fees	54,500	70,500	16,000	29.36%
Other	7,100	5,500	(1,600)	-22.54%
Total	<u>663,100</u>	<u>960,715</u>	<u>297,615</u>	44.88%

### FY2005 Budget Comments

An increase in the Clerk of Court Excess Fees is a result of the decrease in the State Compensation Board funding for the Clerk of Court. The State Compensation Board first uses the fees collected by the Clerk to support the expenditures in her office not to exceed the monthly allocation. The balance of the fees, excess, is sent to the State, which remits 2/3 back to the County labeled Clerk of Court Excess Fees. The increase in Law Enforcement Fees is a result of the Off-duty Employment of Deputy Sheriffs program. Parks & Recreation Fees are proposed to increase due to the number of participants in recreation programs.

## **Fiscal Agent & Administrative Service Fees**

The County is the fiscal agent for various agencies such as the Colonial Services Board and the Colonial Group Home Commission. The County receives a fee of one percent (1%) of their non-capital expenditures for providing this service. Additionally, administrative costs are recovered from the County's enterprise funds. These recoveries are reported in this category.

	<b>Revenue Summary</b>		<b>Dollar Change</b>	<b>Percentage Change</b>
	<b>FY2004 Original</b>	<b>FY2005 Adopted</b>		
Fiscal Agent Fees	139,000	139,000	-	0.00%

### **FY2005 Budget Comments**

There is no change in this revenue activity.

## **Miscellaneous Revenues**

Miscellaneous Revenues represents receipts from various sources that are not required to be accounted for in a separate revenue code. These include donations for Bike Patrol and the Dare Program in the Sheriff's office, Fire and Rescue, Beautification, Safety Town Program and the Library; return check fees collected by the Treasurer; and other miscellaneous revenues.

	<b>Revenue Summary</b>		<b>Dollar Change</b>	<b>Percentage Change</b>
	<b>FY2004 Original</b>	<b>FY2005 Adopted</b>		
Miscellaneous	59,100	61,025	1,925	3.26%

### **FY2005 Budget Comments**

The increase anticipated in this area is minimal.

## Recovered Costs

The County is reimbursed for costs associated with court services and streetlights.

	<b>Revenue Summary</b>			
	<b>FY2004 Original</b>	<b>FY2005 Adopted</b>	<b>Dollar Change</b>	<b>Percentage Change</b>
Poquoson Shared Costs	123,000	150,000	27,000	21.95%
Streetlight Program	<u>40,000</u>	<u>35,000</u>	<u>(5,000)</u>	-12.50%
Total	<u>163,000</u>	<u>185,000</u>	<u>22,000</u>	13.50%

### FY2005 Budget Comments

The increase in the Poquoson Shared Costs line item reflects the increase in the costs of operating the joint court system.



## Revenue from the Commonwealth Non-Categorical Aid

The County receives a share of certain revenues collected by the Commonwealth. These revenues include ABC and Wine Profits, Mobile Home Taxes and Rolling Stock Taxes.

	<b>Revenue Summary</b>			
	<b>FY2004 Original</b>	<b>FY2005 Adopted</b>	<b>Dollar Change</b>	<b>Percentage Change</b>
ABC Profit	75,000	57,259	(17,741)	-23.65%
Wine Profit	80,000	38,172	(41,828)	-52.29%
Mobile Home Taxes	20,000	15,000	(5,000)	-25.00%
Rolling Stock Taxes	<u>20,000</u>	<u>9,000</u>	<u>(11,000)</u>	-55.00%
Total	<u>195,000</u>	<u>119,431</u>	<u>(75,569)</u>	-38.75%

### FY2005 Budget Comments

The anticipated revenues received from the Commonwealth have been reduced due to the State fiscal challenges.

## Revenue from the Commonwealth Shared Expenses - Categorical Aid

The County receives revenues from the Commonwealth for the State's share of expenditures in joint activities. These include the Commonwealth's Attorney, Commissioner of the Revenue, Treasurer, Registrar, Sheriff and Clerk of Court.

	<b>Revenue Summary</b>			
	<b>FY2004 Original</b>	<b>FY2005 Adopted</b>	<b>Dollar Change</b>	<b>Percentage Change</b>
Commonwealth's Attorney	422,275	417,750	(4,525)	-1.07%
Commissioner of the Revenue	159,933	155,290	(4,643)	-2.90%
Treasurer	152,457	148,170	(4,287)	-2.81%
Medical Examiner	178	150	(28)	-15.73%
General Registrar	44,500	47,000	2,500	5.62%
Sheriff	2,054,000	2,021,000	(33,000)	-1.61%
Civil Defense	39,160	40,000	840	2.15%
Clerk of the Court	320,400	312,477	(7,923)	-2.47%
Total	<u>3,192,903</u>	<u>3,141,837</u>	<u>(51,066)</u>	-1.60%

### FY2005 Budget Comments

The reimbursement from the State Compensation Board for FY2005 for the Constitutional Officers is declining due to State fiscal challenges.

## Revenue from the Commonwealth Categorical Aid

The County receives revenues from the Commonwealth designated for specific uses. These revenues include amounts received for housing improvement, the library and for wireless E-911 calls.

	<b>FY2004 Original</b>	<b>FY2005 Adopted</b>	<b>Dollar Change</b>	<b>Percentage Change</b>
Housing Section 8	60,300	75,000	14,700	24.38%
VJCCA	75,000	75,000	-	0.00%
Library Grants	150,000	150,000	-	0.00%
Wireless E-911	64,800	100,000	35,200	54.32%
Litter Control	9,000	9,000	-	0.00%
Total	<u>359,100</u>	<u>409,000</u>	<u>49,900</u>	13.90%

### FY2005 Budget Comments

The increase in this area is primarily due to a higher call volume of E-911 calls from cellular phones.

## Revenue from the Commonwealth Grant Awards

The County is awarded grants from various Commonwealth departments for specific uses. These grants include awards from the Department of Motor Vehicles, Department of Criminal Justice Services (DCJS), Department of Housing and Community Development and various other departments of the Commonwealth.

	<b>FY2004 Original</b>	<b>FY2005 Adopted</b>	<b>Dollar Change</b>	<b>Percentage Change</b>
Two for Life	20,000	20,000	-	0.00%
Fire Protection	65,000	75,000	10,000	15.38%
DCJS Programs	124,000	114,000	(10,000)	-8.06%
Emergency Service	20,000	20,000	-	0.00%
Miscellaneous	5,000	5,000	-	100.00%
Total	<u>234,000</u>	<u>234,000</u>	<u>-</u>	0.00%

### FY2005 Budget Comments

The changes in this area are minimal.

## Revenue from the Federal Government

### Payment in Lieu of Taxes

The County imposes a service charge upon real estate that is exempt from property taxation.

### Sheriff - Community Oriented Policing Services (COPS) Grant

The Sheriff received a grant for three years as part of the Community Oriented Policing Services (COPS) Universal Hiring Program grant. The grant enabled the Sheriff to hire six additional deputies in FY2004.

	<b>FY2004 Original</b>	<b>FY2005 Adopted</b>	<b>Dollar Change</b>	<b>Percentage Dollar</b>
Payment in Lieu of Taxes	3,000	5,000	2,000	66.67%
HAVA Grant	-	30,000	30,000	0.00%
Sheriff - COPS Grant	<u>150,000</u>	<u>150,000</u>	<u>-</u>	0.00%
Total	<u>153,000</u>	<u>185,000</u>	<u>32,000</u>	20.92%

### FY2005 Budget Comments

The increase in this area is for the Help America Vote Act that will support the purchase of voting machines.

## Other Financing Sources

### Transfer Appropriations

The School Board has contracted with the County:

- To maintain the school grounds and athletic fields
- With the Sheriff's office for School Resource Officers at each high school facility
- For Video Services operations

	Revenue Summary		Dollar Change	Percentage Change
	FY2004 Original	FY2005 Adopted		
Insurance Recovery	10,000	-	(10,000)	-100.00%
Transfer Appropriations	<u>1,166,660</u>	<u>1,218,000</u>	<u>51,340</u>	4.40%
Total	<u>1,176,660</u>	<u>1,218,000</u>	<u>41,340</u>	3.51%

### FY2005 Budget Comments

The changes reflected in this category are due to funding from the Schools for the maintenance of the school grounds, support of the program contracted with the Sheriff's Office for School Resource Officers in the high schools and for support of the Video Services operation.